

July 17, 2001

Mayor Jim Naugle  
Vice Mayor Gloria F. Katz  
Commissioner Tim Smith  
Commissioner Carlton B. Moore  
Commissioner Cindi Hutchinson

Honorable Mayor and Commissioners:

In accordance with Article IX, Section 9.2 of the City Charter, I am pleased to present the proposed budget for Fiscal Year 2001/2002. The all funds budget totals \$341 million representing a one percent increase from the FY 2000/2001 originally adopted budget. The General Fund proposed budget is \$193.8 million or 8.4 percent more than the originally adopted General Fund budget for the current fiscal year. The proposed millage rate for operating and debt service purposes is 5.5664, which is the same combined rate as the City has levied since 1999.

I have prepared this proposal to reflect consideration of Commission long-term commitments and consensus on operating budget priorities as well as the professional judgment of the City's management team.

### **Putting This Proposed Budget in Context**

The current fiscal year is the first full one in this century. Prior budgets including my first two as your City Manager generally tried to bridge the decisions of the 1990's as we moved forward to the 21<sup>st</sup> Century. The past year has seen the Commission take bold steps to bring our City to its fullest quality of life in this new era. A \$550 million water and sewer master plan will provide the necessary utility infrastructure for the entire community to share in the growth of Fort Lauderdale in the most environmentally responsible way. Initiatives in the Community Area Planning Central Area as well as the Northwest Progresso Flagler Heights Community Redevelopment Agency will bring to fruition the strong potential of this area. The proposed recapitalization plan for general City facilities, once approved, will strengthen and enhance the most basic of the City's infrastructure for police, fire-rescue, parks, and transportation services. The relocation of Construction Services to the Lincoln Park site marks the initial step in the City's efforts to embark on a comprehensive space planning endeavor. These initial commitments are indicative of a move to strategic thinking and planning for the challenges of this century, and the Commission is to be commended for these decisions.

It is also fitting that as the City addresses longer-term issues, our actions are measured against the backdrop of our community's upcoming 100<sup>th</sup> anniversary as a municipal corporation.

Much like the “Best City by 1994” focus of a decade ago, the Commission has now targeted 2011, one hundred years after Fort Lauderdale’s incorporation, as a key date for accomplishing a number of major goals. This proposed budget is intended to set the stage for moving in that direction.

Your Budget Advisory Board has reviewed many of these long-term financing commitments and urged the City to evaluate their collective financial impact to the community. They have prudently pointed out that each program has been presented and discussed individually but the combined result of tackling all of them at once has not really been approached in public discussion. This proposed operating budget attempts to compile the impact that these initiatives would have on FY 2001/2002 in terms of debt service and staff support. The Capital Improvement Program, which will be submitted and reviewed later this year, will provide more detail on the resources necessary for infrastructure improvements.

I have approached the development of this proposed budget with these long-term commitments in mind. Additionally, the requirements of the adopted union agreements that will carry us until September 30, 2003 have significant dollar impacts on this budget. These agreements, the commitments made by the Commission in the past twelve months, and the Commission priorities have provided the direction for this budget. It is important that, as we undertake these long-term initiatives with financing ramifications, we approach the operating budget prudently, aware of the implication that day-to-day operations and their price tags have on the City’s bond rating and our ability to minimize borrowing costs.

### **Budget Highlights**

This proposed budget addresses many of the Commission’s priorities while moving forward with the long-term commitments discussed earlier.

#### **Managed Growth**

- The initial debt service payment of \$186,000 for conversion of the Lincoln Park site to the new Construction Services headquarters is part of this proposed budget.
- Staffing increases for zoning (2.5 positions) and building inspections (1 position) supported by additional revenue from users of construction services based upon an outside fee study are included.
- A \$100,000 downtown residential study in conjunction with the Downtown Development Authority and the Community Redevelopment Agency is proposed.
- An additional \$40,000 (\$70,000 total) has been included for traffic consultants required by development projects, to be funded by those developers.
- A total of \$244,000 has been included in the proposed budget to reflect the City’s commitment to new economic development through incentives approved for business expansion.
- The proposed budget provides for the upgrading of a part-time clerk to full-time to provide additional support for the City’s real estate needs.

Infrastructure

- This proposed budget assumes that the Commission agrees that an accelerated recapitalization plan is critical. The details can be determined at the time the capital improvement plan is brought forward for consideration this fall. This operating budget proposal includes the necessary staffing resources to accomplish the magnitude of improvements that were presented a few weeks ago.
- Two additional positions would be added for support of neighborhood, business, and special assessment projects in Engineering.
- Fifteen full-time equivalent positions are included in this budget message for recreational programming and maintenance of new park bond facilities including Croissant Park Recreation Center, the Beach Community Center, Lauderdale Manors Pool and Water Playground, the expanded Warfield Park, Snyder Park, 17<sup>th</sup> Street Causeway, Floranada Park, Holiday Park Phase III, George English Park, and Palm Aire Park.
- \$130,000 in funding for contract maintenance has been included for new medians along Powerline Road, Oakland Park Boulevard, Davie Boulevard, Broward Boulevard, Sunrise Boulevard, and Northeast 13<sup>th</sup> Street.
- To assist with the various financing commitments and subsequent spending of bond proceeds, the proposed budget includes two additional positions in the City Attorney's Office, one additional staff auditor, and one additional accountant to be funded as part of the management and oversight of the capital improvements.

Technology

- All City departments are actively pursuing ways to take advantage of the technology available including use of the internet for serving customers and to automate functions. The budget includes upgrades for all personal computers that have been deemed obsolete or unable to handle new software.
- A total of \$550,000 is included for maintenance of the computer-aided dispatch and records management system in the Police Department because the warranty period has now expired.
- Four additional civilian positions have been added in the Police Department to support the information systems that officers in the field rely on every day. An additional position in the Geographic Information System (GIS) Office in Administrative Services would provide additional support to public safety utilizing GIS databases and tools.
- An amount of \$60,000 has been included for additional services in Construction Services either through the Internet or the customer kiosks in the "One Stop Shop".
- A new full-time position for a Web Engineer would increase the City's utilization of the intranet, an electronic network for City staff that could automate the distribution of policies, procedures, forms, etc.
- A total of \$120,000 is included in this proposed budget for fault-tolerant and data recovery equipment to speed recovery of databases when crashes occur.
- While not an additional budget item, the next fiscal year will see the installation of the new payroll/personnel system that has taken the dedicated efforts of personnel and finance staff to implement this new software. The new system should provide the City with capabilities to handle these critical functions for several years to come.

Mass Transportation

- The City's gas tax fund, which is not part of the operating budget, will provide for mass transportation along the Galt Ocean Mile, Lauderdale Manors, downtown, and the beach.
- Further study will be necessary to determine the appropriate incentives to encourage residents, commuters, and visitors to move away from their reliance on automobiles and ease the congestion of our high traffic areas.

Public Safety

- Full implementation of the new rescue unit on the beach is included in this proposed budget, which will begin this summer and is partially funded by contributions from the North Broward Hospital District, Holy Cross Hospital, North Ridge Medical Center and the Cleveland Clinic. Nine new firefighter/paramedic positions are required to staff the new equipment.
- A total of \$177,000 is included in this budget message as City match for new police grants. The leveraging of City dollars with federal grants has provided increased resources over the last few years for the Police Department.
- An amount of \$250,000 is included in the General Fund budget to continue five Police Department positions that were formerly created with grant funds that will expire during the next fiscal year.
- The proposed budget provides for two additional police boats and four new engines, the replacement of six existing boats, and the replacement of twelve boat engines with the use of the Commission-approved master lease established for public safety. These purchases will help to patrol the expanded water skiing areas established earlier this year.
- The next phase of the personally assigned vehicles (PAVe) program is included in contingencies (\$433,000) pending the receipt of a federal grant to provide the technology included in patrol cars as well as final development of the policy for use of the vehicles.
- The study of implementing non-resident parking charges along north beach to fund lifeguard coverage continues. The initial conclusion is that it would be very difficult to generate sufficient parking revenue to cover the cost of all lifeguard coverage recommended. Staff will continue to pursue options and hopefully have some workable approaches in the near future for Commission consideration.

Other Priorities

- A total of \$65,000 is proposed for grant writing services from an outside firm to seek additional grants for City programs as recommended by the Budget Advisory Board and confirmed by the Commission.
- Community Inspection staff are comparing occupational licenses holders at the County with City lists to determine overlap and the merits of consolidating enforcement with Broward County.
- The General Fund working capital reserve that was established a few years ago at \$1.5 million will end this fiscal year with \$2 million, a 33 percent increase. This adjustment helps to address the concern about the City's minimal fund balance.

Overall, the proposed budget includes sixty-four new full time equivalent positions to keep up with the demands of our customers and to implement the Commission's priorities. Twenty-one

of these positions are fully offset by outside revenue sources, fifteen are for the new parks bond projects, nine are for the new rescue unit for the Barrier Island, and seven are in the Enterprise Funds.

### **Compensation**

The proposed budget provides for the funding of negotiated compensation increases for union represented employees. The wage increases include 3 percent in October 2001 for General Employees, 3 percent in October and 1.5 percent in April 2002 for those employees represented by the International Association of Firefighters, 2.25 percent in both October and April for police officers, and 3 percent in both October and April for police sergeants. The budget also funds the agreed upon improvements in health and pension benefits. A 3.5 percent increase in regular pay in October has been included for non-bargaining unit employees. All October increases are effective the first full pay period in October.

Pension improvements included in the bargaining agreement with General Employees will be brought forward for Commission approval in September. Additionally, recent changes in Federal tax laws will provide an opportunity to address pension inequities for nonclassified employees. Prior to the recent changes, these employees had no option to supplement their pension plan with deferred compensation like other employees since deferred compensation was their primary plan. It is proposed that next year's budget include funds, which together with the employees own funds, would allow the purchase of service credits in the City's General Employee Retirement System or additional contributions to the employee's existing plan. Such a plan amendment will be brought forward for Commission consideration along with the bargained improvements for classified employees. Additionally, a sum of \$250,000 has been added to both the current year and next year for adjustments to the City's contribution for Firefighter pension based upon the State's review of the City's actuarial report and the intended use of insurance premium revenues.

### **Necessary Resources**

This budget proposal includes reasonable revenue adjustments and places the cost on those who benefit most from the services and improvements. The proposed property tax millage rate would stay at the same combined rate of 5.5664. The last time the rate was lower was in 1993. For residents with a homestead exemption, the most that their tax bill can increase for City purposes is 3 percent based upon the limits of the "Save Our Homes" State Constitutional Amendment. The City has again set a new record for new construction in one year with a taxable value of \$292 million. The tax roll overall has increased 11.6 percent over last year's amount. Such growth allows us to fund the initiatives discussed earlier, the labor agreement increases, and the increased service demands, while keeping the tax rate flat.

As was considered when the first Fire-Rescue Special Assessment was implemented as a replacement to the Broward County Municipal Services Benefit Unit charge, a 5 percent increase in the fee is recommended. For a single family home, the charge would be \$40 per year.

Based upon the Commission's approval of the Water and Sewer Master Plan, this proposed budget includes a 2.5 percent increase in those user fees for the capital improvements and a 2.5 percent adjustment for increases in operational costs.

The City's stormwater fee has not been increased since its inception in 1992. A 5 percent increase is proposed to provide necessary resources for swales and other stormwater management efforts. A single-family home would pay \$2.35 per month under this proposal.

### **Conclusion**

William Jennings Bryan noted a century ago "Destiny is not a matter of chance; but a matter of choice. It is not a thing to be waited for, it is a thing to be achieved." Among other descriptions, a budget is a compilation of choices. The Commission has taken Fort Lauderdale's destiny in its hands by laying out some exciting plans for the years ahead. This proposed budget will help us forge ahead. I look forward to finalizing the City's operating plans for FY 2001/2002 with you following review by the Budget Advisory Board and the public hearings scheduled for September 12<sup>th</sup> and 20<sup>th</sup>.

Sincerely,

F. T. Johnson  
City Manager